

Agenda

COMPREHENSIVE TRANSPORTATION PLAN TAC

Monday, October 16, 2006, 1:30 p.m.

SANBAG – The Super Chief Room

1170 W. Third Street, 2nd Floor, San Bernardino

(NOTE: CTP TAC MEMBERS ARE ALSO INVITED TO ATTEND THE GROWTH FORECAST WORKSHOP BEING HELD ON OCTOBER 16 AT SANBAG FROM 11:30 AM TO 1:15 PM – INVITATIONS HAVE BEEN SENT TO LOCAL JURISDICTION PLANNING DIRECTORS – LIGHT LUNCH TO BE PROVIDED)

- 1) Introductions
- 2) Caltrans Local Assistance Update
(Caltrans staff)
- 3) Status of Valley Coordinated Traffic Signal System Program
(Andrea Zureick)
- 4) Update on SANBAG Development Mitigation Program Compliance
(Ryan Graham)
- 5) Letters Needed from Selected Local Jurisdictions on Intent to Incorporate Cost Escalation Factor into Fee Programs (sample letters to be provided by SANBAG)
(Steve Smith)
- 6) Formats for Development Mitigation Annual Reporting (Note: jurisdictions that have previously received TIA waivers need to provide an annual report for FY 2005/2006)
(Ryan Graham and Steve Smith)
- 7) Overview of Draft White Papers for Measure I 2010-2040 Strategic Plan (Ty Schuiling)
- 8) Measure I 2010-2040 Revenue Estimates by Subarea
(Ryan Graham)

- 9) Multi-County Goods Movement
 - Action Plan – Update and Input on Strategy Development
 - MOU Options
 - (Steve Smith)
- 10) Next CTP TAC Meeting will be held on Monday, November 13, 2006 at 1:30 PM in SANBAG's Super Chief Room
- 11) Adjourn



San Bernardino Associated Governments

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•San Bernardino County Transportation Commission •San Bernardino County Transportation Authority
•San Bernardino County Congestion Management Agency •Service Authority for Freeway Emergencies

DATE: October 5, 2006

TO: Local Jurisdiction Planning Directors

FROM: Cameron Brown, Data Program Administrator
Ty Schuiling, Director of Planning and Programming

SUBJECT: Local Jurisdiction Input to the San Bernardino County Growth Forecast

The Southern California Association of Governments (SCAG) is soliciting local jurisdiction input to its socioeconomic data (SED) projections (population, households, dwelling units, and employment) to year 2035. San Bernardino Associated Governments (SANBAG) is coordinating development of projections with local jurisdictions and SCAG. It is imperative that these projections be thoroughly reviewed and verified because of their importance in the development of the Regional Housing Needs Assessment (RHNA), the Regional Transportation Plan (RTP), and local transportation plans. SCAG and SANBAG expect to finalize these numbers by early December of this year.

SANBAG has established the following timeline for development of city-level totals for the growth forecasts.

- Oct. 16, 11:30 AM to 1:15 PM – Workshop to be held at SANBAG explaining processes and methodologies of data development. The workshop is being held immediately prior to the Comprehensive Transportation Plan Technical Advisory Committee (CTP TAC). Lunch will be provided.
- Oct. 17 to 27 – One-on-one meetings with individual jurisdictions to answer questions, address concerns, and define what is necessary to reach agreement on draft numbers
- Nov. 7, 1:00 to 5:30 PM – Joint SCAG/SANBAG workshop for refining and, if possible, finalizing city-level totals
- Nov. 10 to 17 – Meet with jurisdictions requiring final adjustments of city-level totals
- Nov. 20 to Dec. 1 – Assemble final numbers from all jurisdictions
- Dec. 8 – Submit final numbers to SCAG

To familiarize yourselves with our preliminary data prior to the first workshop, SANBAG is providing several maps and tables, attached to this letter. An explanation of how the maps and tables were created is also provided in the attachment.

Please take the time to review these numbers. We are asking for this review prior to SCAG issuing draft city-level totals so that we can be well-positioned to present the most defensible set of data to SCAG later in the fall. More specifically, we will be looking for each city to provide a marked up or edited version of Tables 1, 2, and 3 as presented in the attachment. Failure to

PD061005-ss

Cities of: Adelanto, Barstow, Big Bear Lake, Chino, Chino Hills, Colton, Fontana, Grand Terrace, Hesperia, Highland, Loma Linda, Montclair
Needles, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Twentynine Palms, Upland, Victorville, Yucaipa
Towns of: Apple Valley, Yucca Valley County of San Bernardino

provide the best available growth data to SCAG in a timely manner can create serious difficulties in the development of the RTP and RHNA.

All the information is being sent to the person within your jurisdiction listed as our “primary” contact for development of socioeconomic data. Let us know if this contact person should be changed. If you need additional materials, have questions, or need assistance, please do not hesitate to contact Cameron Brown at (909)884-8276 or e-mail cbrown@sanbag.ca.gov.

Thank you for your attention to this matter.

cc: City Managers

ATTACHMENT

This attachment contains the following information:

- Table 1. Population, dwelling units, households, and employment by jurisdiction for 2005, based on a combination of Department of Finance (DOF) data, local jurisdiction input to the SANBAG Development Mitigation Nexus Study and local input to the SCAG 2004 RTP.
- Table 2. Population, dwelling units, households, and employment by jurisdiction for 2014 (the RHNA planning year)
- Table 3. Population, dwelling units, households, and employment by jurisdiction for 2035 (the RTP planning year)
- A dot-map showing locations of projected growth in dwelling units and employment for the subarea within which your jurisdiction is located. The dot-map for your area is included as an attachment. You can download dot-maps for other areas of the county at: <http://gis.sanbag.ca.gov/SANBAG/GrowthForecast06>

Table 1 is based on 2005 DOF data for population, dwelling units, and households and on the SANBAG Nexus Study (and on local input for jurisdictions not in the Nexus Study) for employment, adjusted to the SCAG county-level control totals for 2005. It is important to note that SCAG has changed its method of allocating existing employment to the city level. In the past, the distribution of employment to the cities was based on several sources of jobs-related data. For the 2007 RTP, SCAG is basing the distribution of employment on the locations of workplaces as documented in the extensive surveys conducted for the Census Transportation Planning Package (CTPP) for year 2000. The surveys were conducted for an approximate 1 in 6 sample along with the 2000 census. SANBAG made adjustments to the city-level employment distribution based on growth in employment identified for each jurisdiction between 2000 and 2003 from a comparison of existing land use files. SCAG believes the use of the CTPP data provides a more reliable distribution of employment than was previously available. You will therefore see differences between the employment totals in Table 1 and those that were provided as part of the SANBAG Nexus Study. Tables 2 and 3 show the same socioeconomic data for years 2014 and 2035, respectively. These were controlled to county-level totals recently provided by SCAG for those same years.

The dot-maps are provided as a graphical illustration of where growth is projected to occur over the next 30 years. The maps represent growth, not total 2035 development. The maps show dots representing growth for each of the following four variables: single family dwelling units, multiple family dwelling units (10 DU per acre and greater), retail employment, and non-retail employment. Each dot represents 10 dwelling units or 10 employees, as indicated by the color coding for each variable. The growth was based on SANBAG's analysis of vacant land together with the general plan designations and development densities for each local jurisdiction. Redevelopment was projected in areas where existing land uses could realistically turn over to new uses or densify within the next 30 years. Growth was controlled to be generally consistent with the difference between the 2005 and 2035 SED in Tables 1 and 3.

During the one-on-one meetings between October 17 and 27 we will be discussing with each jurisdiction possible revisions to Tables 1, 2, and 3. We also expect to be able to provide SED by individual traffic analysis zone (TAZ) by the time of the workshop on October 16.

Table 1. Population, Dwelling Units, Households, and Employment by Jurisdiction for 2005 (October 5, 2006 draft for review and discussion by local jurisdictions and SANBAG)

CITY	2005 TOTAL POP	2005 SF DWLNG UNITS	2005 MF DWLNG UNITS	2005 TOTAL DWLNG UNITS	2005 HHOLDS (OCC. DU)	2005 RETAIL EMPL.	2005 NON- RET. EMPL.	2005 TOTAL EMPL.
ADELANTO	23,675	5,230	1,748	6,977	5,625	624	4,490	5,114
APPLE VALLEY	64,672	18,195	4,619	22,814	19,926	2,636	9,940	12,575
BARSTOW	23,848	5,861	4,052	9,913	7,879	3,174	8,972	12,146
BIG BEAR LAKE	6,228	8,270	1,185	9,454	8,054	1,569	4,215	5,784
CHINO	77,022	14,637	4,604	19,241	17,551	16,061	31,183	47,243
CHINO HILLS	78,819	19,811	3,034	22,845	21,154	1,090	7,596	8,686
COLTON	52,292	10,235	6,080	16,315	14,277	6,464	16,339	22,803
FONTANA	162,069	34,528	8,293	42,821	38,261	9,680	35,273	44,953
GRAND TERRACE	12,550	3,124	1,443	4,567	4,090	839	2,103	2,942
HESPERIA	77,088	20,834	4,119	24,954	22,088	3,181	11,751	14,932
HIGHLAND	51,512	12,681	3,594	16,274	13,937	3,271	2,456	5,727
LOMA LINDA	21,867	4,437	4,363	8,800	7,786	5,838	10,932	16,770
MONTCLAIR	35,986	6,193	3,177	9,370	8,580	5,791	9,724	15,516
NEEDLES	5,624	1,584	1,232	2,817	2,205	842	2,381	3,223
ONTARIO	172,558	31,441	15,369	46,810	42,552	36,997	70,041	107,037
RANCHO CUC.	163,898	37,565	13,999	51,564	47,185	12,831	46,854	59,685
REDLANDS	71,220	17,956	8,446	26,401	23,762	9,022	29,472	38,494
RIALTO	100,513	19,816	7,214	27,030	24,140	4,629	17,173	21,802
SAN BERNARDINO	202,353	41,316	24,274	65,590	54,910	33,136	62,128	95,264
TWENTYNINE PALMS	27,670	6,084	2,677	8,762	6,916	665	2,373	3,038
UPLAND	74,641	17,061	9,303	26,364	24,005	13,305	13,123	26,428
VICTORVILLE	87,577	22,061	6,300	28,360	24,954	7,098	24,325	31,423
YUCAIPA	50,018	12,702	5,882	18,584	16,583	2,696	6,635	9,331
YUCCA VALLEY	19,979	7,193	1,762	8,955	7,577	1,298	3,024	4,322
UNINCORP.	307,323	108,945	21,472	130,416	112,002	20,460	68,302	88,762
COUNTY TOTAL	1,971,000	487,760	168,240	656,000	576,000	203,198	500,802	704,000

Table 2. Population, Dwelling Units, Households, and Employment by Jurisdiction for 2035 (October 5, 2006 draft for review and discussion by local jurisdictions and SANBAG)

CITY	2014 TOTAL POP Adjusted	2014 SF DWLNG UNITS	2014 MF DWLNG UNITS	2014 TOTAL DWLNG UNITS	2014 HHOLDS (OCC. DU) Adjusted	2014 RETAIL EMPL.	2014 NON- RET. EMPL.	2014 TOTAL EMPL.
ADELANTO	51,861	12,555	3,427	15,981	12,901	808	5,810	6,618
APPLE VALLEY	78,434	21,849	6,462	28,311	24,753	3,371	12,713	16,084
BARSTOW	28,758	7,522	4,705	12,228	9,729	4,694	13,267	17,961
BIG BEAR LAKE	6,492	8,778	1,225	10,004	8,530	2,034	5,465	7,499
CHINO	94,621	17,303	6,899	24,202	22,099	18,014	34,975	52,989
CHINO HILLS	86,347	21,978	3,496	25,474	23,611	1,211	8,435	9,646
COLTON	65,115	11,589	9,225	20,814	18,232	9,783	24,727	34,510
FONTANA	197,953	43,107	10,428	53,535	47,884	11,433	41,659	53,092
GRAND TERRACE	13,728	3,367	1,717	5,085	4,557	1,025	2,569	3,594
HESPERIA	107,845	29,710	6,243	35,953	31,860	5,328	19,679	25,007
HIGHLAND	59,655	15,506	3,734	19,240	16,493	5,153	3,869	9,022
LOMA LINDA	25,935	5,487	5,181	10,668	9,448	7,563	14,161	21,724
MONTCLAIR	37,601	6,574	3,365	9,939	9,110	7,322	12,295	19,616
NEEDLES	5,658	1,614	1,256	2,871	2,250	862	2,437	3,299
ONTARIO	223,332	41,086	21,095	62,181	56,585	45,423	85,993	131,416
RANCHO CUC.	185,117	41,272	18,104	59,376	54,388	16,190	59,123	75,313
REDLANDS	82,381	21,289	9,885	31,174	28,086	10,827	35,367	46,194
RIALTO	109,811	21,986	8,068	30,053	26,866	6,033	22,380	28,413
SAN BERNARDINO	212,828	44,082	25,975	70,057	58,706	40,399	75,745	116,144
TWENTYNINE PALMS	31,687	7,190	3,046	10,236	8,089	920	3,284	4,203
UPLAND	84,761	19,528	11,004	30,531	27,827	16,143	15,922	32,065
VICTORVILLE	107,868	28,045	7,724	35,769	31,505	10,400	35,640	46,040
YUCAIPA	58,525	15,546	6,663	22,209	19,839	3,404	8,379	11,782
YUCCA VALLEY	21,984	8,117	1,914	10,032	8,496	1,622	3,780	5,402
UNINCORP.	344,704	124,237	24,842	149,079	128,157	23,597	78,772	102,368
COUNTY TOTAL	2,323,000	579,318	205,682	785,000	690,000	253,556	626,444	880,000

Table 3. Population, Dwelling Units, Households, and Employment by Jurisdiction for 2035 (October 5, 2006 draft for review and discussion by local jurisdictions and SANBAG)

CITY	2035 TOTAL POP Adjusted	2035 SF DWLNG UNITS	2035 MF DWLNG UNITS	2035 TOTAL DWLNG UNITS	2035 HHOLDS (OCC. DU) Adjusted	2035 RETAIL EMPL.	2035 NON- RET. EMPL.	2035 TOTAL EMPL.
ADELANTO	118,182	30,366	7,541	37,906	30,587	1,264	9,091	10,354
APPLE VALLEY	111,379	31,627	11,134	42,760	37,379	5,203	19,621	24,824
BARSTOW	40,520	11,831	6,499	18,330	14,581	8,401	23,748	32,150
BIG BEAR LAKE	7,177	10,468	1,390	11,858	10,110	3,190	8,569	11,759
CHINO	136,690	24,514	12,648	37,163	33,926	23,193	45,031	68,224
CHINO HILLS	104,829	28,293	4,775	33,068	30,645	1,534	10,686	12,220
COLTON	95,726	15,413	17,091	32,504	28,467	17,863	45,152	63,014
FONTANA	283,783	65,594	16,007	81,601	72,973	15,916	57,996	73,912
GRAND TERRACE	16,622	4,127	2,456	6,584	5,900	1,493	3,745	5,239
HESPERIA	180,758	52,123	11,557	63,679	56,414	10,520	38,856	49,376
HIGHLAND	79,290	22,989	4,274	27,263	23,367	9,722	7,300	17,021
LOMA LINDA	35,701	8,251	7,385	15,636	13,846	11,848	22,184	34,032
MONTCLAIR	41,768	7,839	3,997	11,836	10,848	11,146	18,716	29,861
NEEDLES	5,800	1,778	1,383	3,161	2,477	938	2,651	3,589
ONTARIO	344,177	65,947	35,664	101,611	92,445	66,651	126,179	192,829
RANCHO CUC.	236,592	52,288	28,720	81,008	74,190	24,587	89,787	114,375
REDLANDS	109,298	30,286	13,809	44,095	39,720	15,412	50,343	65,754
RIALTO	132,673	28,307	10,523	38,830	34,706	9,516	35,301	44,817
SAN BERNARDINO	239,529	53,064	31,433	84,497	70,797	58,738	110,128	168,866
TWENTYNINE PALMS	41,394	10,184	4,080	14,264	11,269	1,546	5,521	7,068
UPLAND	109,276	26,403	15,603	42,006	38,279	23,321	23,002	46,323
VICTORVILLE	156,359	43,616	11,490	55,106	48,527	18,463	63,269	81,732
YUCAIPA	78,995	23,075	8,867	31,942	28,527	5,173	12,735	17,909
YUCCA VALLEY	26,896	10,739	2,380	13,119	11,110	2,434	5,674	8,108
UNINCORP.	435,586	167,041	34,129	201,171	172,910	31,728	105,917	137,645
COUNTY TOTAL	3,169,000	826,162	304,838	1,131,000	994,000	379,798	941,202	1,321,000

Minute Action

AGENDA ITEM: _____

Date: October 18, 2006

Subject: Measure I 2010-2040 Strategic Plan Policy Issues

Recommendation:* Review and discuss white paper issues for furtherance of the Strategic Plan.

Background: The SANBAG Board of Directors approved working project cost factors and revenue projections on August 2, 2006. Because consideration of the Project Advancement element of the Measure I Strategic Plan Scope of work was addressed separately, the next steps in strategic plan development are:

- 1) Development of project prioritization policies and procedures,
- 2) Evaluation of the need for and benefit of "frontloading" or advancing funding for selected programs through inter-program borrowing,
- 3) Further definition of the relationship of fair share development contributions to the fund allocation process, and
- 4) Definition of project development and delivery responsibilities for freeway interchange, major roadway, and grade separation projects.

*

Approved
Administrative Committee

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

White papers are attached on Measure I 2010-2040 Programs including:

- the Cajon Pass Program,
- the Victor Valley Major Local Projects Program,
- the Rural Mountain/Desert Major Local Projects Program
- the Valley Freeway Program
- the Valley Freeway Interchange Program
- the Valley Major Streets Program
- the Valley Metrolink/Rail Program
- the Valley Express Bus/Bus Rapid Transit Program
- Bond Financing Debt Capacity
- Inter-Program Issues

that identify major technical and policy issues within each program associated with these elements of the scope of work, and alternative strategies to address them for detailed consideration by the policy committee with purview over each program. In addition, staff has developed a white paper to address inter-programmatic issues (issues that affect multiple programs or may cause one program to affect others) that do not fit neatly into discussion of any one program. Issues include:

- Borrowing from one or more programs to “frontload” another program
- Interprogram sequencing
- Fiscal Management, and
- Project initiation

These white papers were initially mailed to each member of the Board of Directors for review following the October Board meeting, and are provided without modification in this and other policy committee agendas. Each committee is asked to develop recommendations on programs or issues within its purview. Staff will then return to the Plans and Programs Committee for continued discussion and policy development on the complete spectrum of issues, with consideration of the input by the policy committees responsible for the various individual programs.

The Plans and Programs Committee will initially review white papers and formulate recommendations on the Valley Major Local Streets (arterial streets and grade separations) program and on Inter-program issues. Staff will also report on discussions at previous policy committee meetings.

The next workshop will be scheduled as appropriate to consider recommended approaches to the policy issues outlined above and discussed within the white papers.

Financial Impact: This item is consistent with the approved Fiscal Year 2006-2007 Budget.

Reviewed By: Review of Strategic Plan issues occurred at the Administrative Committee on October 11 and the Major Projects Committee on October 12. The Plans and Programs Policy Committee will consider these issues October 18, the Commuter Rail Committee on October 19 and the Mountain-Desert Committee on October 20, 2006.

Responsible Staff: Ty Schuiling, Director of Planning and Programming
Darren Kettle, Director of Freeway Construction
Deborah Barmack, Director of Management Services
Mike Bair, Director of Transit and Rail Programs
Terry McGuire, Director of Finance

Name of Program: Cajon Pass Program

Brief description: Measure I 2010-2040 requires that three percent (3%) of the revenue generated in the San Bernardino Valley Subarea and the Victor Valley Subarea be reserved in advance of other allocations for the Cajon Pass Account for funding of the I-15/I-215 Interchange in Devore, I-15 widening through Cajon Pass, and truck lane development. Cajon Pass serves as the major transportation corridor connecting the two urbanized areas within San Bernardino County and is in need of the identified improvements. These improvements are critical components to intra-county travel for residents of both the Victor Valley and San Bernardino Valley.

Technical issues:

In February 2006 the Board of Directors approved the final report for the Interstate 15 Comprehensive Corridor Study. The Study contemplated major transportation investments along the I-15 Corridor from SR 60 to D Street in northern Victorville. Included in the final report were recommendations to proceed with further analysis on two alternatives, dedicated tolled truck lanes and managed (moveable barrier) tolled auto lanes. The I-15 Corridor Study limits extend well beyond the limits of the Cajon Pass Program, the limits of the Cajon Pass program extend from the I-15/I-215 Devore Interchange to Cajon Summit, thus requiring consideration of how the Cajon Pass program fits within the overall I-15 Corridor program.

As part of the Board action approving the final report SANBAG staff was directed to investigate financing options to accelerate one component that was included in both the I-15 Corridor study and is eligible for funding from the Cajon Pass Program, that project being the reconstruction and realignment of the I-15/I-215 Devore Interchange. In August 2006 the Board approved in concept loaning current Valley Major Project funds to the future Cajon Pass program in order to fund project development activities for this project. Staff anticipates requesting the Board to authorize releasing a Request for Qualifications (RFQ) for Preliminary Engineering and Environmental Document development by the end of 2006 with project development work expected to commence in early 2007.

The most glaring technical issue facing the Cajon Pass program is the issue of available funding versus project cost. The Cajon Pass Program as originally proposed to County voters estimated a total Measure I fund availability of \$170 million and State and Federal revenues of \$60 million for a total of \$230 million. Recent estimates for the I-15/I-215 Devore Interchange project exceed \$200 million alone and the current estimate to for an additional lane in both directions on the I-15 through the Cajon Pass is \$ 270 million.

Policy considerations and alternatives:

- 1) *Project Acceleration* – The Board has approved loaning funds between the two Measures in order to continue progress on project development activities for the I-15/I-215 Devore Interchange identified in Cajon Pass program. This action will allow preliminary engineering and environmental clearance activities to proceed in advance of new Measure I revenues being available. Design-Build procurement is another tool that could be used to accelerate the Devore Interchange project. The Board's adopted Legislative Program supports the use of Design-Build procurement for transportation projects but a change in state law will be required to allow for Design-Build for freeway projects.
- 2) *Linkages to the Valley Freeway Program and Victor Valley Major Projects Program* – The I-15 Comprehensive Corridor Study clearly shows that while the Cajon Pass projects are necessary to relieve congestion on this major corridor, additional freeway lane capacity will also be required on the I-15 from SR 60 to the Devore Interchanges (a project identified in the Valley Freeway program) and from Cajon Summit to D Street in north Victorville (a project identified in the Victor Valley Major Projects Program). Any discussion that takes place relative to the I-15 freeway mainline improvements through the Cajon Pass must be done in conjunction with the overall I-15 Corridor.
- 3) *Funding availability* – In September 2006 the Board approved a revised Measure I 2010-2040 revenue estimate of \$8 billion, up from \$6 billion in 2004. Based on the revised revenue estimate,

Name of Program: Victor Valley Major Local Highway Projects

Brief Description: In the Mountain/Desert subareas, 70% of revenue generated is preserved for Local Street Projects. The Measure I Expenditure Plan for each Mountain/Desert subarea specifies that 25% of Measure I revenues collected in each subarea be set aside for Major Local Highway Projects. Eligible projects for the Major Local Highway Projects category include "major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways." The Plan also states that these funds can be used to "leverage other State and Federal funds . . . and to perform advance planning/project reports."

Technical issues: The Measure I Expenditure Plan estimated that the total amount of funds collected in the Victor Valley Major Local Highway Projects category over the thirty year period would be \$213m. Although this amount is considerably higher than other Mountain/Desert Subareas, the magnitude of transportation needs and cost of major facility construction render this amount woefully insufficient. Revised revenue estimates by subarea are under development and will provide an improved estimate of available revenue throughout the term of the Measure. Although Victor Valley revenue is expected to increase, it is doubtful that the imbalance between needs and available funding will be changed.

In the Victor Valley subarea, it was never anticipated that the Major Local Highway Projects category would fully fund any projects. Although projects were named in the Measure, the named projects were examples of major projects which were easily identified as priorities at the time the Measure was drafted. The projects listed were examples and not intended to represent a comprehensive list for this category. Language in the Expenditure Plan specifically stated these funds would be used as "**Contributions to Projects, including but not limited to:**"

The Expenditure Plan also contained an estimate of \$39m in State and Federal funds which would be available to the Victor Valley subarea. This estimate, however, cannot be relied upon considering the shortcomings of transportation funding at both the State and Federal level.

The Victor Valley is distinctly different from other Mountain/Desert subareas in two specific ways. The incorporated areas and surrounding county areas were included in the SANBAG Nexus Study which requires a fair share contribution by new development to transportation projects. It is also distinctively different in that there are two new major freeway corridors proposed in the subareas; i.e., High Desert Corridor (E-220) estimated to cost \$640m and US-395 estimated to cost \$670m.

The Nexus Study for the Victor Valley indicates the following cost and fair share contributions from new development in the Victor Valley:

Improvement Category	Total Cost	Development Contribution*
High Desert Corridor (E-220)	\$ 640m	\$ 0
US-395	\$ 670m	\$ 0
SR-138 West	\$ 81m	\$ 0
I-15 Widening	\$ 398m	\$ 0
Interchanges	\$ 268m	\$ 146m
Arterials	\$ 586m	\$ 294m
Grade Separations	\$ 32m	\$ 8m

*Amounts include 2006 cost escalation factor of 12.9%)

Due to the lack of specifically identified projects and the vagaries of the amount of "contributions" from the Major Local Highway Projects category, project prioritization and allocations from the Major Local Highway Projects category are left to future policy determinations.

Name of Program: Rural Mountain/Desert Major Local Highway Projects

Brief Description: In the rural Mountain/Desert subareas, the overriding principle was that the highest transportation need and priority were in local street improvements. This is demonstrated by the 70% of revenue categorized for this purpose. The Measure I Expenditure Plan for each of the Mountain/Desert subareas also includes a category of funding for Major Local Highway Projects. (The issues related to this category of funding in the Victor Valley are substantially different and are addressed in a separate issue paper.) The Major Local Highway Projects category receives of 25% of Measure I revenues collected in each subarea. Eligible projects for this category of funds include "major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways." The Plan also states that these funds can be used to "leverage other State and Federal funds . . . and to perform advance planning/project reports."

Technical issues: The total amount of funds collected in this category over the thirty year period is relatively small compared to the cost of construction for major highway improvements; i.e.; North Desert \$24m, Mountains \$30m, Morongo Basin \$31m; and Colorado River \$15m. Revised revenue estimates by subarea are under development. However, it is safe to say that anticipated revenue in this category may be in the neighborhood of \$1m a year or less.

Due to the vast areas and many miles of major local highways in these subareas areas, it was never anticipated that these funds would fully fund any project/s. Although projects were named in the Measure, the named projects were examples of major projects which were easily identified as priorities at the time the Measure was drafted. The project lists were not intended to provide a specific project list for the term of the Measure. Language in the Expenditure Plan specifically stated these funds would be used as "**Contributions to Projects, including but not limited to:**"

Estimates of an amount of State and Federal funds available to each subarea were included in the Expenditure Plan. These estimates, however, cannot be relied upon considering the shortcomings of transportation funding at both the State and Federal level.

Due to the lack of specifically identified projects and the vagaries of the amount of "contributions" from the Major Local Highway Projects category, project prioritization and allocations from the Major Local Highway Projects category are left to future policy determinations.

Policy Considerations and alternatives:

Considering the limited financial resources in the Major Local Highway Projects category, a number of policy decisions will be required in establishing principles for allocation of funds. It is possible that some criteria could be established which apply to all Rural Mountain/Desert subareas. However, it is certain that representatives of each subareas will be required to establish allocation principles which best fit the needs of their each subarea. Some of the policy considerations are:

- 1) *What criteria should be used to establish eligibility for allocation of funds from the Major Local Highway Projects category? (State highway improvements only? Arterials spanning multiple jurisdictions? Projects which can demonstrate improved performance of general traffic circulation throughout the subarea? Project readiness?)*
- 2) *How are the limited funds in Major Local Highway Projects category allocated? (Full funding of projects on first-ready, first build basis? Percentage of project by phase? Percentage of construction only? Maximum amount per project? Percentage of funds generated on annual basis? Reservation of funds for limited number of specifically identified projects? Allocation based upon amount of additional funds leveraged? Allocation based upon performance measurements and/or assessment of benefit to all jurisdictions within the subarea?)*

Name of Program: Valley Freeway Program

Brief description: Measure I 2010-2040 requires 29% of revenue collected in the San Bernardino Valley Subarea fund freeway projects within the San Bernardino Valley Subarea. Projects to be constructed with Freeway Projects funds include the widening of the following freeways:

- I-10 HOV – Milliken Avenue to Riverside County Line
- I-15 – Riverside County Line to I-215
- I-215 – Riverside County Line to I-10
- I-215 – SR 210 to I-15
- SR 210 – I-215 to I-10
- HOV Connectors

Note: The Interstate 215 project through San Bernardino and Interstate 10 Westbound Lane addition down the Yucaipa grade is expected to be fully funded from current Measure I funds.

Technical issues:

- 1) *Project Initiation Documents* – With the exception of the I-215 widening north of the SR 210 interchange and the HOV connectors, all of the projects listed above have had some level of project development work underway.
- 2) *Preliminary Engineering* – Preliminary engineering (the effort required to get a project to 30% design) is underway on the I-215 widening between Riverside County Line and I-10. The Board has conceptually approved proceeding with preliminary engineering for the I-10 widening.
- 3) *Environmental Clearances* – Work is underway on the Environmental Impact Report/Statement for the I-215 widening between Riverside County Line and I-10. The preliminary Project Study Report for the I-10 HOV projects prepared by Caltrans suggests that a Categorical Exception/Exclusion with studies will be the required environmental document. Various levels of environmental analysis will be necessary for all projects identified above with timeframes ranging from 2-6+ years.
- 4) *Final Design* – SANBAG or Caltrans – In the past 5 years or so the SANBAG Board has encouraged staff to pursue lead agency status for the purpose of final design of major freeway projects. It is assumed that this will continue as SANBAG's preferred approach for design activities. It is anticipated that SANBAG will continue to use engineering/design consultants rather than increasing internal staffing to perform this work.
- 5) *Unknowns of project complexity until preliminary engineering/environmental is underway* – The preliminary engineering phase of project development includes a variety of studies, the results of which lead to an ultimate project scope. Studies such as geotechnical/seismic, noise, traffic/system operations, endangered species, right of way, historic properties etc., are necessary element of project development but until these studies are complete it is difficult to truly scope the projects and the total costs associated with the projects.

Policy considerations and alternatives:

- 1) *Project Acceleration* – The Board has approved loaning of funds between the two Measures in order to continue progress on project development activities for the I-10 HOV Project identified in Measure I 2010-2040. This action will allow preliminary engineering and environmental clearance activities to proceed in advance of new Measure I revenues being available. The Board's adopted Legislative Program supports the use of Design-Build procurement for transportation projects but a change in state law will be required to allow for Design-Build for freeway projects.
- 2) *Linkages to Valley Freeway Interchange Program* – A number of Valley Freeway Projects will require either early or concurrent construction of antiquated and heavily congested local freeway interchanges. Given the limited resources available and the potential of over a \$1 Billion of

Name of Program: Freeway Interchange Projects

Brief description: Measure I 2010-2040 requires 11% of revenue collected in the Valley Subarea shall fund Freeway Interchange Projects. There are 31 Freeway Interchange Projects identified in the Measure and language intended to allow for additional interchange projects to be funded from this category. Language is also included in the Measure requiring equitable geographic distribution of projects be taken into account over the life of the program.

Technical issues:

The technical issues associated with the freeway interchange program will vary from interchange to interchange. In nearly all instances environmental clearances will likely require the preparation of an Initial Study/Environmental Assessment, a process that currently take an average of 2-3 years. As the interchange projects have direct interface with the freeway system both Caltrans and in most cases the Federal Highway Administration, will have a substantial role in all phases of the project.

There are two programmatic fundamental technical/structural questions that will affect the freeway interchange program that will only be answered through healthy policy debate and the two may very well be in conflict given the reality of the overall funding picture for freeway interchange projects. **First**, Measure I 2010-2040 requires a development contribution to freeway interchange projects and it has not yet been determined when SANBAG would be required to make Measure I Interchange program funds available to a project. **Second**, and potentially in conflict with the easy answers to the first question is how the Interchange program and Valley Freeway Program interface particularly if mainline freeway project acceleration remains a policy priority.

Policy considerations and alternatives:

- 1) *Project Acceleration* – The Board has approved loaning funds between the two Measures in order to continue progress on project development activities for the I-10 HOV Project identified in Measure I 2010-2040. This action will allow preliminary engineering and environmental clearance activities to proceed in advance of new Measure I revenues being available. Additionally, to maintain an accelerated schedule, several of the freeway interchange reconstructions must be complete before construction of the mainline HOV project commences. Recent actions by the United State Fish and Wildlife Service have cleared the substantial hurdle of addressing endangered species issues along this corridor so long as mitigation (habitat) is purchased. In general for freeway interchange projects to be delivered in an accelerated fashion design-build procurement may be a viable option. The Board's adopted Legislative Program supports the use of Design-Build procurement for transportation projects but a change in state law will be required to allow for Design-Build for freeway projects.
- 2) *Linkages to Valley Freeway Program* – A number of Valley Freeway Projects will require either early or concurrent construction of antiquated and heavily congested local freeway interchanges. Given the limited resources available and the potential of over a \$1 Billion of freeway construction in the first decade of the new Measure, it may be necessary to require freeway interchange project funds be made available first to those projects that affect mainline freeway construction.
- 3) *Funding availability* – Freeway interchange reconstructions are predominately funded from two sources; Measure I and Development impact fees as determined by the SANBAG Nexus Study program. The gap between projected revenues and estimated projects costs, while not as significant as that of the Valley Freeway program, is still substantial. More complicated perhaps than the potential gap in funding is the likelihood that local jurisdictions will have their local/developer contribution available and it will be incumbent upon SANBAG to make available the Measure I share to the project. This will likely lead to the policy discussion of whether long term financing should also be used for Freeway Interchanges and may shape how the Board might prioritize funding for interchanges vis-à-vis the desire to accelerate mainline freeway projects.

Name of Program: Valley Major Streets Program

Brief Description

The Measure I 2010-2040 Expenditure Plan defines eligible Major Streets program projects as "congestion relief and safety improvements to major streets that connect communities, serve major destinations, and provide freeway access." Funding from this program "shall be expended pursuant to a five-year project list to be annually adopted" by SANBAG "after being made available for public review and comment. Funding priorities are improving roadway safety, relieving congestion, street improvements at rail crossings, and shall take into account equitable geographic distribution over the life of the program. Pursuant to Section VIII of the Measure I 2010-2040 Ordinance and the Board-approved Congestion Management Program, eligibility to receive funding from this program is also limited to those major street projects and street improvements at railway crossings for which fair share contributions have been calculated through SANBAG's approved Nexus Study.

Technical issues

The Measure I Valley Major Streets Program is to be funded by a combination of Measure I, federal, and fair share mitigation funds (opportunities, constraints, linkage with other programs). The Measure I share of total funding will initially be 20% of Valley revenue, but will be reduced to 17% or less after ten years commensurate with increased funding for the Express Bus/Bus Rapid Transit Service Program. Estimated Measure I revenues (based on \$8 billion total revenue) are \$1.079 billion. In addition, the Measure I 2010-2040 Expenditure Plan identifies \$82 million in state and federal funds and \$444 million in contributions from new development to fund this program. The updated Nexus Study fair share contribution for these projects is \$616 million, for an estimated available revenue total of \$1.777 billion. The updated cost of the eligible projects is \$1.798 billion, for a small programmatic shortfall of \$21 million. Annual Measure I revenue generation is projected to increase from about \$24 million in the first years to about \$58 million by 2040. Linkages between the eligible arterials and freeway interchanges may mean that the timing of projects funded through this programs may be affected by timing of projects funded through the Interchange Program.

Policy considerations and alternatives

- 1) "Frontloading" (borrowing from one or more other funding programs to advance projects in another programmatic category, with later repayment to the lender programs) of this or other programs may be deemed desirable by the Board of Directors and member jurisdictions. Current discussion suggests that other programs such as Valley freeways, interchanges, or rail are more likely candidates for frontloading than Major Streets, in which case Major Streets could become a donor program in the early years of the Measure. It appears likely, however, that some Valley jurisdictions consider the Major Street program to be more important in the near term than freeway improvements:
 - Option 1: No inter-program loans; all funds maintained for early delivery major street and grade separation projects.
 - Option 2: Cap loans to other programs at a level that permits limited delivery of major street and grade separation projects from the outset of the program.
 - Option 3: Unlimited loans to other programs with provision for later payback.
- 2) Selected grade separations may deserve priority over most arterial street improvements, but are also more likely to attract funding from sources not contemplated in the Expenditure Plan. They are also more likely to be federalized projects (require NEPA clearance in addition to CEQA clearance). Should the arterial street projects be given some degree of preference over grade separations for expenditure of Measure I 2010-

Name of Program: Metrolink/Rail Service

Brief Description: Measure I 2010-2040 requires 8% of Valley Measure I shall funds passenger rail projects, including the extension of the Metro Gold Line to Montclair, the implementation of passenger rail service between San Bernardino and Redlands and for the Metrolink system, the purchase of additional passenger cars and locomotives, construction of additional track capacity, construction of additional parking at stations and provide match funds for State and Federal revenues used for maintaining equipment, track and signal and road crossings.

Technical issues: The Metrolink/Rail Service Program is to be funded by a combination of Measure I, federal, state and local funds. Over the 30-year period, Measure I will generate nearly \$487 million. Federal Transit Administration (FTA) funds (Sections 5307 - Fixed Guideway, 5309(m)(2)(A) New Starts and Small Starts, and 5309(m)(2)(B) - Rail Modernization) are expected to total \$479 million. This estimate of FTA revenue assumes that 50% of the capital cost for the Gold Line and Redlands extensions will be awarded (\$122.5 million). The proportion of San Bernardino Valley local revenue (Local Transportation Funds, State Transit Assistance Funds and Rail Asset funds) required for supporting the passenger rail program is not set in stone and will vary from year to year.

Both the Metro Gold Line and Redlands extensions, if everything falls in line, could be completed within the first four years of the new Measure I Program. Without other revenue sources being available, this could require a Measure I Rail commitment of \$122.5 to match a like amount of FTA funds. Only about \$40 million in Rail revenue will be generated in those four years. Staff has attempted to utilize as much of other revenue (local and CMAQ) that might be available to support these two important projects. Even with the reasonable use of other revenues, the amount of Measure I Rail funds required will total more than \$63.8 million; \$23.8 million more than the revenues generated.

Policy considerations and alternatives:

- 1) Both the Metro Gold Line and Redlands extensions have strong public and political support. It will be critical for SANBAG to continue to be a strong supporter of the Gold Line extension to Montclair and to leverage other Federal, State and local (Los Angeles County) funds as they become available.
- 2) Currently, cities along both projects appear to be supportive of transit oriented development at the proposed station locations; thus supporting the SCAG 2% Compass program.
- 3) The Gold Line extension is proposed as a design/build project. The Redlands extension could become a design/build project as well.
- 4) There are still several steps that need to be taken for both of these projects to win FTA approval to enter into preliminary engineering. For the Gold Line extension the major step includes a new travel forecast provided by LACMTA and getting project in Long Range Transit Plan. For the Redlands extension, the requirements for Small Starts are still not final, but the interim regulations will require the following prior to FTA authorization for Preliminary Engineering and Environmental Clearance:
 - A. Alternatives Analysis Report
 - B. Selection of LPA
 - C. Agreement of Baseline Alternative (FTA concurrence)
 - D. Planned ridership, cost inputs and estimates
 - E. Identification of transit rider benefit (travel forecast)
 - F. Economic Development Impacts
 - G. Transit Supportive Land Use and Future Patterns
- 5) Methods of advancing the two rail extension projects:

Name of Program: Express Bus/Bus Rapid Transit Service

Brief Description: Measure I 2010-2040 requires that 2% of Valley Measure I shall fund the Express Bus/Bus Rapid Transit Service category. Effective 10 years following the initial collection of revenue, this category amount shall increase to at least 5% and may increase to no more than 10% upon approval by the Authority Board. Assuming that the 5% is selected for the remaining 20 years, approximately \$206.6 million would become available. The implementation of Bus Rapid Transit (BRT) will require federal funding from either the Federal Transit Administration Section 5309 New Starts or Small Starts programs.

Technical issues: In July 2004 Omnitrans developed a System-Wide BRT Corridor Plan that identifies 7 potential corridors. Of these seven corridors, the "E" Street corridor (from north of Cal State University to the VA Hospital in Loma Linda) was selected for early implementation. In December 2005 Omnitrans completed the alternatives analysis of the "E" Street corridor and selected a Locally Preferred Alternative (LPA) and is now seeking authorization to begin Preliminary Engineering and Environmental Clearance phase. The preliminary cost estimate for the LPA is \$156.2 million in 2005 dollars. The anticipated implementation date is the end of 2010.

Policy consideration and alternatives:

Clearly, the implementation schedule noted above would require a funding commitment prior to the Measure I 2010-2040 taking effect. One of the arguments given for not increasing the amount of new Measure I revenue to this category was that some of the infrastructure improvements required would be eligible under the Valley Major Streets program. Approximately \$45.6 of the estimated cost could be eligible for funding from the Valley Major Streets program; leaving a balance of \$110.6 million from other sources. It may be possible that the amount of federal funding could be as high as 80%, but a more likely amount would be 50%. So the amount of local funds necessary could range from \$12.2 to \$55.3 million. On a pay-as-you-go basis, it would take between 6 and 13 years to accumulate that amount of revenue under this program.

- 1) Should the BRT fixed guideway portion, excluding the dedicated bus bridge over I-10, of the project be consider for Valley Major Streets funding? And how should the BRT project be rated against other pressing needs for the Valley Major Streets program funds?
- 2) Should the funding for the BRT project be included in an advance bonding scenario?
- 3) Should there be a subset of this program funding to support future express bus service?

Recommendation: To be developed through committee discussion.

Responsible Staff: Mike Bair, Director of Transit and Rail Programs

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Name of Program: New Measure I Bond Financing Debt Capacity

Brief Description: The New Measure I Bond Financing Program will provide funding for capital project construction that is not expected to be financed on a pay-as-you-go basis. The program could be divided into a first/senior lien program that is primarily used to finance major projects (freeways, interchanges, and possibly passenger rail and major arterials) and a second/junior lien program that is used for local streets, and possibly major arterials. Debt capacity for the program is dependent upon many factors and constraints that are not known at this time, primarily future sales tax revenues, interest rates and the amortization period of the debt. It is reasonable to expect that the overall debt capacity for the new Measure I program could range between \$600-\$800 million in the first five years of the program (composed of \$500-\$700 million of 1st lien bonds and \$100-\$200 million of 2nd lien bonds).

Technical Issues: The program must be structured to meet all of the allocation/distribution requirements of the Expenditure Plan. The Additional Bonds Test for both first and second lien bonds must be structured to maximize credit ratings and financing flexibility for the capital financing program. Measure I revenues, financing interest rates and the Additional Bonds Test will be the primary constraints on debt financing capacity. Lower revenues than those that are forecast, higher financing interest rates and a restrictive Additional Bonds Test will reduce debt financing capacity. Measure I revenues greater than forecast, lower financing interest rates and a less restrictive Additional Bonds Test will result in increased debt financing capacity.

Policy Considerations and alternatives: Pay-as-you-go project financing is the only alternative to debt financing for projects. Project readiness and need for financing will dictate the timing of the first financings; however, it is possible for SANBAG to lock-in current low interest rates with hedging strategies when there is some certainty of project readiness and capital requirements. Debt covenants that will be embodied in a financing resolution and trust indenture will establish policies for the debt financing program.

Recommendations: To be developed through committee discussions.

Responsible Staff: Terry McGuire, Director of Finance

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Name of Program: Inter-program Issues

Brief Description: Several issues that affect multiple programs or may cause one program to affect others also exist, and do not fit neatly into discussion of any one program. They are discussed below.

Policy Considerations and Alternatives:

- 1) *Prioritization among programs, which may include borrowing from one or more programs to "frontload" another program.* As a hypothetical example, the Board may assign a higher priority to freeway construction than new major streets and rail projects, and choose to borrow revenues from those programs in the first years of the new sales tax measure to for early freeway construction, with provision for payback in later years. Metrolink funding in the current Measure I is a model for this approach. Informal discussions with staffs of SANBAG's member agencies suggests that no consensus exists thus far on prioritization of one or more programs over others, but that broad agreement should be reached, based on further discussion, before any such decision is made.
- 2) *Inter-program sequencing.* Beyond the more familiar issue of how to prioritize transportation projects within a particular program, projects funded by different programs may relate to one another such that a particular delivery sequence is desirable or even necessary to minimize construction-related transportation impacts and improve the efficiency of project delivery. Examples are the sequencing of freeway interchange (to be funded from the Valley Interchange Program) and freeway mainline improvements (to be funded from the Valley Freeway Program) within a given corridor, or the timing of arterial roadway improvements (to be funded from the Valley Major Streets Program) in proximity to a freeway interchange project (to be funded from the Valley Interchange Program). Staff suggests consideration of the following principle:
 - *Project delivery sequences that are determined to be more efficient and less costly to deliver and less impacting to the traveling public than others should be pursued.*
- 3) *Fiscal Management.* It is generally advantageous, when possible, to deliver projects without use of federal funds to avoid the federal local assistance process and National Environmental Policy Act (NEPA) compliance issues. However, larger projects such as mainline freeway improvements and many freeway interchanges must be federalized under any circumstance. It therefore makes sense to maximize utilization of federal funds on those projects that must go through the federal process anyway, and avoid federal funding of projects that can otherwise be delivered locally with California Environmental Quality Act (CEQA) review.

The Measure I 2010-2040 Expenditure Plan identifies a distribution of Measure, Federal and State, and fair share development revenues among the various Measure programs. However, these proportions will change among some programs because of updated Measure I 2010-2040 revenue forecasts, updates to the SANBAG nexus study, and changes in the availability of state and federal funds (such as passage of Propositions 1A and 1B in November, and allocation of federal monies to Alameda Corridor East grade separations in SAFETEA-LU). Staff suggests consideration of the following principles consistent with the Expenditure Plan:

- *Maximize use of federal funds on otherwise federalized projects*
- *Use Measure I and local dollars to leverage State and Federal dollars to the maximum possible extent*